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Australia

Agricultural Situation

Ag DownUnder Vol. 5

2007

Approved by:

Kathleen Wainio, Agricultural Counselor
U.S. Embassy

Prepared by:

Lindy Crothers, Agricultural Marketing Specialist; Meredith Elliott, Agricultural Assistant; Mike Darby, Agricultural Specialist

Report Highlights:

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 - **Australian Sugar Production, Exports Projected Up for 2007/08**
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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra
[AS]

Future of Wheat Marketing in Australia Being Considered

The Australian Government has reviewed the Wheat Export Marketing Consultation Committee taskforce report and must now determine the future of wheat marketing in Australia. Decisions must be made quickly: Australian wheat planting begins in May and Minister McGauran's veto authority over exports expires June 2007. Since December 2006, Agriculture Minister McGauran has held the power of veto over Australian bulk exports of wheat, an authority previously held by the Australian Wheat Board (AWB). While the Wheat Export Marketing taskforce report has not been made public, press reports indicate that the majority of Australian farmers continue to voice support for a single desk.

Deregulated Barley Market in South Australia

On March 27, 2007, the last remaining state single desk for barley export in Australia was abolished with the passage of the South Australian Barley Exporting Bill. Beginning July 1, 2007 barley marketing will be deregulated in South Australia. ABB Grain Ltd operated the single desk; the new Act allows growers to deliver bulk barley to the exporter of their choice. ABB Ltd's Managing Director, Michael Iwaniw, has assured barley growers that it will continue to offer a full range of services – including pools. "We are well positioned to operate in the deregulated environment," Mr Iwaniw said. "We have operated in a deregulated barley market in Victoria since the single desk ended in that state several years ago, and in a deregulated market for other commodities (apart from wheat) around Australia. ABB continues to expand and has increased its marketing of grain in states outside of South Australia, particularly in wheat and non-barley commodities." (Source: Media Release ABB Grain, March 30, 2008, <http://www.abb.com.au>)

Australian Sugar Production, Exports Projected Up for 2007/08

Despite a trend of reduced sugar cane planted area, projections for 2007/08 indicate an increase in area and production as growers respond to increased prices and recover from last season's drought and cyclone events. For the longer term, further reductions in Australian sugar production are expected as area sown to cane is being lost to urban encroachment or other uses such as timber or tree crop production. (For further information see GAIN Report AS7020)

New Humane Choice Label Launched

Humane Society International and the National Association for Sustainable Agriculture Australia have signed the final contracts to provide a (voluntary) Humane Choice alternative to the Australian public. The Humane Choice label will initially cover beef, pork, lamb, chicken and eggs and will guarantee the consumer that the animal has been treated with respect and care, from birth through to death. (Source: Australian Food & Health Law, Vol. 12, No. 4)

Comments Sought on Health & Nutrition Claims Proposed Standard

Food Standards Australia New Zealand (FSANZ) is nearing completion of its proposed health and nutrition claims standard and is seeking additional public comment until May 16, 2007. The proposed new standard will put in place a voluntary scheme that would allow manufacturers to promote the health benefits of their products. To be eligible to make health claims foods will need to meet a number of criteria. The standard provides a rigorous framework to assess claims linking a food to the reduction of risk of a certain disease, for example 'fruit and vegetables reduce your risk of cardiovascular disease'. It also makes

nutrition claims - like 'low salt' and 'reduced fat' - legally enforceable. (For further information see GAIN report AS7021.)

U.S. Top Market for Aussie Wine

The U.S. has overtaken the UK to become the most lucrative market for Australian wine. The Australian Wine and Brandy Corporation says the most recent 12-month period establishes new volume and value records for wine exports. Volume rose 10 percent to 788 million liters while value increased four percent to A\$2.91 billion. The records came despite a six per cent drop in the average price per liter, mostly due to growth in bulk wine shipments. Market values were as follows: US (A\$963 million); UK (A\$944 million), Canada (A\$249 million), New Zealand (A\$96 million) and Germany (A\$66 million). China made a noted contribution to the increased exports, with value rising from A\$13 million to A\$46 million in the 12 month period. (Source: www.news.com.au, April 10, 2007)

McDonald's Halal Success

McDonald's Australia opened two Halal restaurants in Melbourne in November 2006 and the company reports sales have doubled since their opening. This follows the success of a McDonald's store in Sydney that has been operating as Halal since 2002. Sales have increased substantially since certification and a reported 700 – 800 new customers are entering the Sydney store each week. (Source: www.news.com.au & "Business Case Study - McDonald's Australia", DIMIA & McDonald's)

Use Food Product Claims Carefully or Face Enforcement Action

The Australian Competition & Consumer Commission (ACCC) has released a Food Descriptors Guideline to the Trade Practices Act which sets out some specific food descriptors which might lead to breaches of provisions of the Trade Practices Act which prohibit misleading and deceptive conduct & false representations in trade or commerce. Food manufacturers have been warned that they need to be careful with the use of products claims such as 'fresh', 'pure', or 'natural', or they might be in violation of the Trade Practices Act and face enforcement action from the ACCC, which has signaled it will be taking particular interest in food descriptions. A copy of the Food Descriptors Guideline is available on the ACC website at: <http://www.accc.gov.au/content/index.phtml/itemId/771468>. (Source: Australian Food & Health Law, Vol. 12, No. 4)

Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:
<http://www.fas.usda.gov/scripts/AttacheRep/default.asp>.

Report Number	Title of Report	Date
AS7021	Additional Comments Sought on Nutrition & Health Claims Standard	04/11/07
AS7020	Sugar Annual	04/10/07
AS7018	Ag Down Under Vol. 4	03/27/07
AS7017	Biosecurity Policy Determination - Importation of Apples from New Zealand	03/27/07
AS7016	Grain and Feed Annual	03/27/07
AS7014	Stone Fruit Annual	03/16/07
AS7012	Ag DownUnder Vol. 3, 2007	03/09/07
AS7009	Cotton Quarterly Lockup Report	02/27/07

AS7008	Import Risk Analysis Report for Apples from New Zealand	02/27/07
AS7007	Ag DownUnder Vol. 2, 2007	02/23/07
AS7006	Livestock Semi-Annual	02/20/07
AS7005	Ag DownUnder Vol. 1, 2007	02/02/07
AS7004	Grain Quarterly Update	01/25/07
AS7003	Tree Nuts Annual	01/11/07
AS7002	Promotion Opportunities Report	01/09/07
AS7001	Fresh Deciduous Fruit Annual	12/20/06
AS6081	Agriculture Minister Grants Two Bulk Export Permits	12/27/06
AS6080	Ag Down Under Vol. 18	12/08/06
AS6079	AWB Veto Power Transferred to Ag Minister for Six Months	12/08/06
AS6078	Final Import Risk Analysis Report for Apples from New Zealand Released	12/01/06
AS6077	Cotton Quarterly Update	11/30/06
AS6076	AWB Proposes Split; Prime Minister to Propose Reform Next Week	11/30/06
AS6075	Cole Inquiry Into AWB Conduct Under Oil-For-Food Program	11/28/06
AS6074	Citrus Annual	11/27/06
AS6073	Ag DownUnder Vol. 17	11/17/06
AS6072	Dairy Annual	11/17/06
AS6071	AWB Rejects Export Applications for 3 MMT, Sparks Controversy	11/09/06
AS6070	Australia Revises Import Conditions for California Table Grapes	11/06/06
AS6069	Ag DownUnder Vol. 16	11/03/06
AS6068	Australia Considers Grain Imports; Additional Drought Aid Announced	10/31/06
AS6067	Government Announces Changes to Import Risk Analysis Process	10/31/06
AS6066	Grain Quarterly Update	10/20/06
AS6065	Frost Affects Fruit Production in Goulburn Valley, Victoria and Tasmania	10/18/06
AS6064	A\$350m Additional Drought Aid	10/17/06
AS6063	Ag DownUnder Vol. 15	10/12/06
AS6062	Corish Report: Australian Government Response	10/04/06
AS6061	Sugar Semi-Annual	09/29/06
AS6060	Exporter Guide	09/29/06
AS6059	Export Certificate Report	09/27/06
AS6058	Ag DownUnder Vol. 14	09/26/06
AS6057	Livestock Annual	09/13/06
AS6056	Ag DownUnder Vol. 13	09/08/06
AS6054	Drought Update	09/05/06